RESEARCH PLAN PROPOSAL

A Study on Impact of Corporate Governance Practices on Firm Performance

For Registration to the Degree of

Doctor of Philosophy

IN THE FACULTY OF COMMERCE & MANAGEMENT

THE IIS UNIVERSITY, JAIPUR

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IISU/2018/26362

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2019

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INTRODUCTION

CORPORATE GOVERNANCE

Corporate Governance in the current scenario has become synonymous with the practices and processes used to direct and manage the affairs of a corporate body. Along with the objective of attainingcorporate goals, it is also associated with the society's expectation with the corporate behavior and its accountability to shareholders and other stakeholders.

The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success to the company. It is the legal system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place.

The governance is based on the principles such as conducting the business with integrity and fairness, being transparent in transactions, making necessary disclosures and decisions, complying with the laws, accountability and responsibility towards the stakeholders and commitment to conduct business in an ethical manner. Fundamentally there is a level of confidence associated with a company that is known to have a good Corporate Governance.

Concept of Corporate Governance

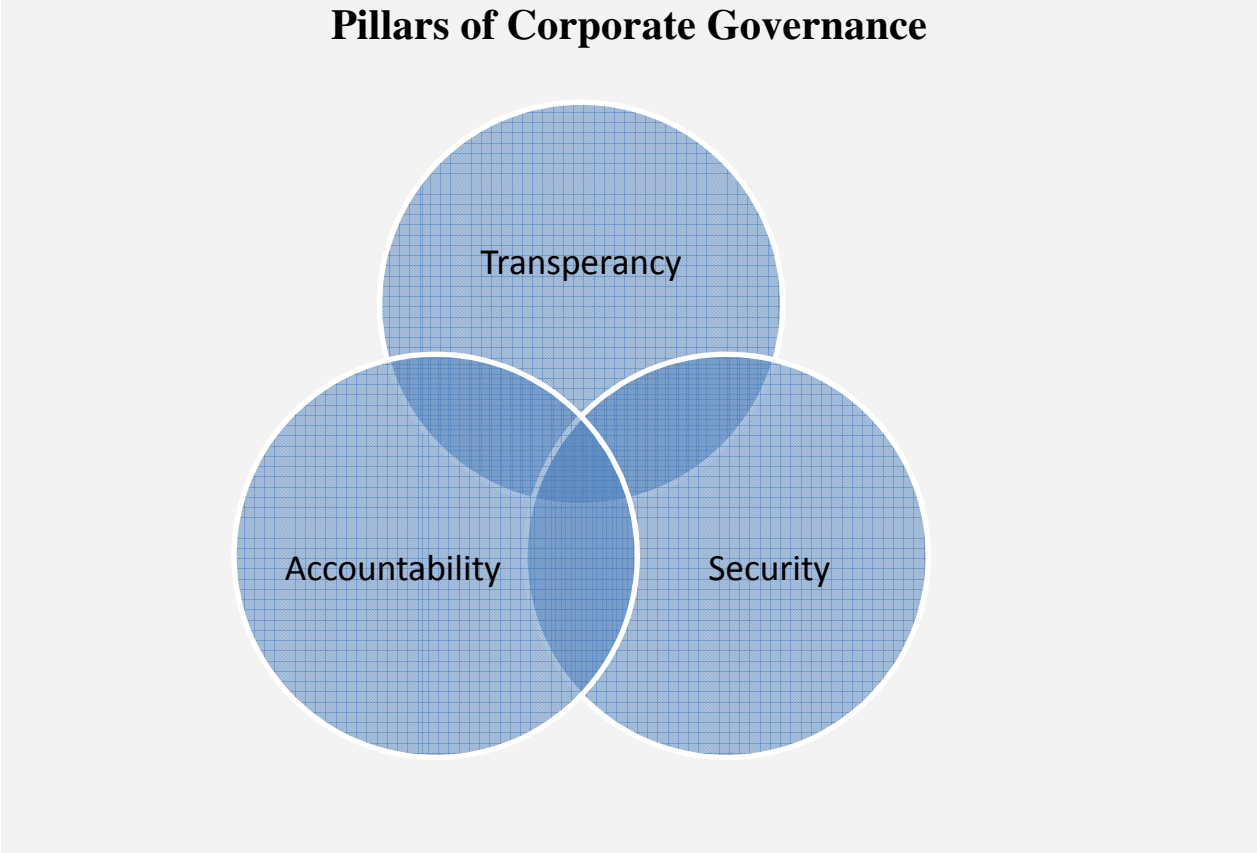
Strong corporate governance maintains investors' confidence, whose support can help to finance further growth. Companies who implement the principles and practices of good corporate governance into working environment life will ensure corporate success and economic growth. They are the basis on which companies can grow.

Corporate governance is the corner stone of any good business. It encompasses the processes, practices and policies that a company relies on to make formal decisions and to manage the company.

The Oxford University Press Business English Dictionary defines corporate governance as the “way in which directors and managers control a company and make decisions, especially decisions that have an important effect on the shareholders.” The concept of corporate governance is becoming increasingly important in companies.

At a quick glance, good corporate governance will ensure that the board of directors meet regularly, retain control over the business and are clear in the division of their responsibilities, as well as maintaining a system of risk management. The company secretary will be responsible for duties such as ensuring that board procedures are followed and that all pertinent rules and regulations are abided by. They must also ensure the company keeps Companies House up to date with all necessary filings. Corporate governance can encompass many more duties, although the system of governance will often vary from company to company

Corporate governance has earned its place as an essential tool in the management and growth of companies, and will continue to grow its importance with time. It is advisable that all companies take steps to increase the quality of their corporate governance systems in order to improve the functioning of the business.



The three pillars of corporate governance are: transparency, accountability, and security. All three are critical in successfully running a company and forming solid professional relationships among its stakeholders which include board directors, managers, employees, and most importantly, the shareholders.

TRANSPARENCY: The First Pillar of Corporate Governance

In simple terms, transparency means having nothing to hide. For a company, this means it allows its processes and transactions observable to outsiders. It also makes necessary disclosures, informs everyone affected about its decisions, and complies with legal requirements. When shareholders feel they can trust a company, they are willing to invest more, and this greatly helps in lowering the cost of capital. Therefore, a company gets its ROI on the money it spent on improving transparency.

Transparency is a critical component of corporate governance because it ensures that all of a company's actions can be checked at any given time by an outside observer.

ACCOUNTABILITY: The Second Pillar of Corporate Governance

It takes more than transparency to build integrity as a company. It also takes accountability, which can also mean answerability or liability. Shareholders are deeply interested in who will take the blame when something goes wrong in one of a company's many processes. And even when everything goes smoothly as expected, knowing that someone will be held accountable for any future mishaps, increases shareholders' confidence, which in turn increases their desire to invest more. Accountability can have a negative connotation because many people associate it with blame. "Who's responsible for when something goes wrong?" is just one of the many questions that accountability seeks to answer. But accountability is more than that. It's about having ownership over one's actions whether the consequences of those actions are good or bad. Thus, accountability covers not only failings, but also accomplishments. When the idea of accountability is approached with this positive outlook, people will be more open to it as a means to improve their performance. This applies from the staff all the way up to the corporate board.

SECURITY: The Third Pillar of Corporate Governance

A company is expected to make their processes transparent and their people accountable while keeping their enterprise data secured from unauthorized access. There is simply no compromise for this. Companies that experience security breaches involving the exposure of their clients' personal information quickly lose their credibility.

Corporate Governance Framework in India

Generally, Corporate Governance refers to practices by which organizations are controlled, directed and governed. The fundamental concern of Corporate Governance is to ensure the conditions whereby organization's directors and managers' act in the interest of the organization and its stakeholders and to ensure the means by which managers are held accountable to capital providers for the use of assets. To achieve the objectives of ensuring fair corporate governance, the Government of India has put in place a statutory framework.

Regulatory framework on corporate governance

The Indian statutory framework has, by and large, been in consonance with the international best practices of corporate governance. Broadly speaking, the corporate

governance mechanism for companies in India is enumerated in the following enactments/ regulations/ guidelines/ listing agreement:

1. **The Companies Act, 2013** *inter alia* contains provisions relating to board constitution, board meetings, board processes, independent directors, general meetings, audit committees, related party transactions, disclosure requirements in financial statements, etc.

2. **Securities and Exchange Board of India (SEBI) Guidelines:** SEBI is a regulatory authority having jurisdiction over listed companies and which issues regulations, rules and guidelines to companies to ensure protection of investors.

3. **Standard Listing Agreement of Stock Exchanges:** For companies whose shares are listed on the stock exchanges.

4. **Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI):** ICAI is an autonomous body, which issues accounting standards providing guidelines for disclosures of financial information. Section 129 of the New Companies Act *inter alia* provides that the financial statements shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under s 133 of the New Companies Act. It is further provided that items contained in such financial statements shall be in accordance with the accounting standards.

5. **Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI):** ICSI is an autonomous body, which issues secretarial standards in terms of the provisions of the New Companies Act. So far, the ICSI has issued Secretarial Standard on "Meetings of the Board of Directors" (SS-1) and Secretarial Standards on "General Meetings" (SS-2). These Secretarial Standards have come into force i.e. July 1, 2015. Section 118(10) of the New Companies Act provide that *every company* (other than one person company) shall observe Secretarial Standards specified as such by the ICSI with respect to general and board meetings.

Key legal framework for corporate governance in India

The Companies Act, 2013

The Government of India has recently notified Companies Act, 2013 ("New Companies Act"), which replaces the erstwhile Companies Act, 1956. The New Act has greater

emphasis on corporate governance through the board and board processes. The New Act covers corporate governance through its following provisions:

- New Companies Act introduces significant changes to the composition of the boards of directors.
- Every company is required to appoint 1 (one) resident director on its board.
- Nominee directors shall no longer be treated as independent directors.
- Listed companies and specified classes of public companies are required to appoint independent directors and women directors on their boards.
- New Companies Act for the first time codifies the duties of directors.
- Listed companies and certain other public companies shall be required to appoint at least 1 (one) woman director on its board.
- New Companies Act mandates following committees to be constituted by the board for prescribed class of companies:

    - Audit committee
    - Nomination and remuneration committee
    - Stakeholders relationship committee
    - Corporate social responsibility committee

Listing agreement – Applicable to the listed companies

SEBI has amended the Listing Agreement with effect from October 1, 2014 to align it with New Companies Act.

Clause 49 of the Listing Agreement can be said to be a bold initiative towards strengthening corporate governance amongst the listed companies. This Clause intends to put a check over the activities of companies in order to save the interest of the shareholders. Broadly, clause 49 provides for the following:

1. Board of Directors

The Board of Directors shall comprise of such number of minimum independent directors, as prescribed. In case where the Chairman of the Board is a non-executive director, at least one-third of the Board shall comprise of independent directors and where the Chairman of the Board is an executive director, at least half of the Board shall comprise of independent directors. A relative of a promoter or an executive director shall not be regarded as an independent director.

2. Audit Committee

The Audit Committee to be set up shall comprise of minimum three directors as members, two-thirds of which shall be independent.

3. Disclosure Requirements

Periodical disclosures relating to the financial and commercial transactions, remuneration of directors, etc, to ensure transparency.

4. CEO/ CFO Certification

To certify to the Board that they have reviewed the financial statements and the same are fair and in compliance with the laws/ regulations and accept responsibility for internal control systems.

5. Report and Compliance

A separate section in the annual report on compliance with Corporate Governance, quarterly compliance report to stock exchange signed by the compliance officer or CEO, company to disclose compliance with non-mandatory requirements in annual reports.

FINANCIAL PERFORMANCE

CONCEPT

Financial performance analysis includes analysis and interpretation of financial statement s in such a way that it undertakes full diagnosis of the profitability and financial soundnes s of the business. The financial analyst program provides vital methodologies of financial analysis.

A measure of **performance** of a company that may not only depends on the efficiency of the company itself but also on the market where it operates. In the financial sector, it also known as financial stability or financial health. There are different financial measures that can be used in order to evaluate the **performance** of a company. Some of the common financial measures are: revenue, return on equity, return on assets, profit

margin, sales growth, capital adequacy, liquidity ratio, and stock prices, among others. Depending on the industry on which the company operates, some financial ratios will be more meaningful than others. For instance, in a manufacturing company, total unit sales, return on assets and inventory turnover may be key ratios to monitor, while for financial institutions, stock prices, cash flow, revenue and operating income may the key ratios to monitor. For companies in the consulting business, return on assets and inventory turnover may not be meaningful given the fact that it is not an asset intensive industry. Another factor to consider in order evaluating the **performance** of a company is the relative value of the financial measures of the company in relation to competitors within the same specific industry, because each industry is unique and making comparison across industries may provide bias interpretation about the **performance** of a company. For instance, comparing return on assets between a manufacturing company and a consulting company may be meaningless because while one of them is asset intensive, the other one is not.

Significance of Financial Performance Measurement:

The interest of various related groups is affected by the financial performance of a firm. The type of analysis varies according to the specific interest of the party involved

- Trade creditors: interested in the liquidity of the firm (appraisal of firm's liquidity)
- Bond holders: interested in the cash-flow ability of the firm (appraisal of firm's capital structure, the major sources and use s of funds, profitability over time, and projection of future profitability)
- Investors: interested in present and expected future earnings as well as stability of these earnings (appraisal of firm's profitability and financial condition)
- Management: interested in internal control, better financial condition and better perfor mance (appraisal of firm's present financial condition, evaluation of opportunities in re lation to this current position, return on investment provided by various assets of the c ompany etc.)

Measures of Financial performance

Measurement of financial performance is an important part of running a growing business. Many businesses fail because of poor financial management or planning.

Business' success can depend on developing and implementing sound financial and management systems.

One of the most important areas of finances should be reviewed is **profitability**. This is the capacity to make a profit, i.e. generate revenue that exceeds overall expenditure (all costs, taxes and expenses). Most growing businesses ultimately target increased profits, so it's important to know how to analyze profitability ratios.

Profitability ratios typically fall under two broad categories: margins and returns. Most common profitability ratios are:

- **Gross profit margin -** how much money is made after direct costs of sales have been taken into account or the contribution as it is also known.

- **Operating expenses margin** - this lies between the gross and net measures of profitability. Overheads are taken into account, but interest and tax payments are not. For this reason, it is also known as the EBIT (earnings before interest and taxes) margin.

- **Net profit margin** - this is a much narrower measure of profits, as it takes all costs into account, not just direct ones. All overheads, as well as interest and tax payments, are included in the profit calculation.

- **Return on capital employed** - this calculates net profit as a percentage of the total capital employed in a business. This allows you to see how well the money invested in your business is performing compared with other investments you could make with it, like putting it in the bank.

Accounting ratios to measure performance

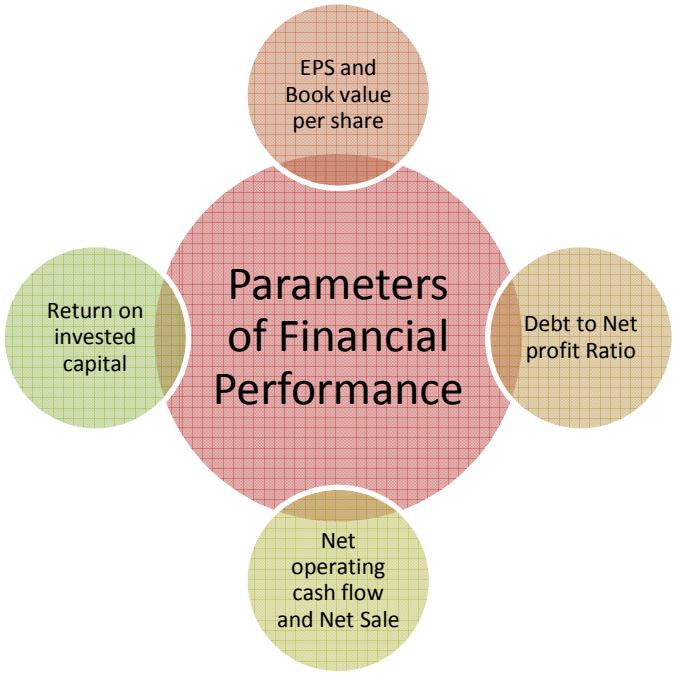
As well as measuring profit, other standard financial ratios should be considered which helps in analyzing business performance. These ratios look at:

- **liquidity** - assessing your ability to meet your short-term financial obligations
- **solvency** - measuring your long-term debt against your assets and equity to determine your financial stability

- **efficiency** - measuring things like stock turnover to determine how well you are using your business assets

Measuring these ratios against industry averages, previous years and competitors can help to identify problems and issues within the business.

PARAMETERS FOR MEASURING FINANCIAL PERFORMANCE


EPS and Book value per share
Parameters of Financial Performance
Return on invested capital
Debt to Net profit Ratio
Net operating cash flow and Net Sale

A wonderful business worth investing in has 3 important characteristics: a) An Excellent Financial Track Record, b) A Sustainable Moat and c) Respectable Management. The first one – An Excellent Financial Track record – is a Go/No-go criterion, and hence is critical. It will prevent from investing in the wrong companies and losing money.

The important element of for reviewing the financial performance of the company is The Annual Report of the Company

From all the 100+ parameters, the important 6 of them are:

Earnings per share (EPS), Net operating cash flow, Net Sales, Book Value per share (BVPS), Return on Invested Capital (ROIC) and Debt-to-Net Profit ratio. Seen together, over a period of 10 years, these 6 ratios reveal the truth.

The truth-revealing 6 financial parameters

Primarily, to check whether company is consistent in making Profits or not. The earning per share should be taken into consideration as it is important parameter for the Shareholders.

Hence, the first parameter to **look for is EPS – Earnings per Share.**

However, it is said, 'Cash is king'. Hence, to verify that profits earned by the company are leading to an inflow of cash, therefore **the second parameter is Operating Cash Flows**.

Net Operating cash flow is the actual cash generated by a company from its business. If a company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and even to run the day-to-day operations.

The company can continue to earn profits year after yearby selling more and more products/services every year.

Hence, the third parameter **is Net Sales**.

To increase its sales in the long run, a company will need to expand its capacity.

Book Value per Shareexamineshow much a company is investing in expanding its capacity. That's the fourth parameter.
Companies in the most basic sense are money-using and money-making machines. Let's see, how one rates a machine? The answer is very simple. One will look at what it produces in relation to what it uses i.e. efficiency. Companies produce profits using the

capital invested (both equity and debt). Hence to know the efficiency with which, a company uses its capital, **Return on Invested Capital (ROIC)**is taken into consideration which is **the fifth parameter**.

Finally, if a company borrows money, it should be able to repay it without serious difficulty over a reasonable period of time. Debt-to-Net Profit ratio tells the number of years in which the company will be able to repay the debt.

Hence, the sixth parameter **is its Debt-to-Net Profit Ratio.**

Apart from these, the company's past performance can be seen with regards to its profit margins (OPM & NPM), Return on Equity (ROE), Debt/Equity ratio and the working capital management. These will help to gauge the profitability and efficiency of the company.

Financial performance review

Financial performance review helps to examine the business goals and plan effectively for improving the business financial performance. When carrying out a financial review of business, the following shall be considered:

- **Cash flow** - This statement shows the balance of all the money flowing in and out of business. The business should regularly review and update its forecast regarding its cash flow.
- **Working capital** –Working Capital is used in business day to day trading operations.
- **Cost base** –Cost is the main element of any business. The cost should be reviewed constantly and should be covered in sale price, but at the same time it should be observed that the customers do not pay for business inefficiencies
- **Borrowing** –Borrowings are the debts for the companies so it should be cheaper.
- **Growth** - Business should have flexible growth plans that can be adapted to accommodate the business' needs.

RELATION BETWEEN CORPORATE GOVERNANCE AND FIRM PERFORMANCE

Corporate governance as a concept includes the separation of roles and responsibilities, communication channels, and behavior between shareholders, boards of directors and the CEO.Good Corporate Governance system is one that meets the following objectives of the firm, namely optimal utilization of resources for enhancing the value of the firm and directing ethical behavior of the firm towards the protection of all stakeholders. The behavior of managers can have a great impact on the performance and value of a company. This practice yields better decisions and ensures long term good health of the firm.

The Corporate governance mechanism is designed to enhance firm's efficiency. Ownership structure is believed to influence the overall performance of the firm. The belief that governance best practices lead to superior firm performance is widespread.

REVIEW OF LITERATURE

A literature review is an account of what has been published on a topic by accredited scholars and researchers. It is an evaluative report of information found in the literature related to selected area of study. The review should describe summaries, evaluate and clarify the reviewed literature. It should give a theoretical base for the research and help researcher determine the nature of his research. Works which are irrelevant should be discarded and those which are peripheral should be looked at critically.

A literature review is more than the search for information. All works included in the review must be read, evaluated and analyzed but relationships between the literatures must also be identified and articulated, in relation to the field of research.

In writing the literature review, the purpose is to convey to the reader what knowledge and ideas have been established on a topic, and what their strengths and weaknesses are. The literature review must be defined by a guiding concept (e.g. your research objective, the problem or issue you are discussing, or your argumentative thesis). It is not just a descriptive list of the material available, or a set of summaries.

Besides enlarging knowledge about the topic, writing a literature review provides –

1. Information seeking: The ability to scan the literature efficiently, using manual or computerized methods, to identify a set of useful articles and books.

2. Critical appraisal: The ability to apply principles of analysis to identify unbiased and valid studies.

A literature review should be-

1. Organized around and related directly to the thesis or research question you are developing.
2. Synthesize results into a summary of what is and is not known.
3. Identify areas of controversy in the literature.
4. Formulate questions that need further research.

Sources: Literature reviewed typically includes scholarly journals, scholarly books, authoritative databases and primary sources. Sometimes it includes newspapers, magazines, other books, films, and audio and video tapes, and other secondary sources. Why do it? The purpose of the literature review remains the same regardless of the research method used. It tests the research question against what already is known about the subject.
Through the literature review research will discover whether the research question already has been answered by someone else. If it has, the researcher must change or

modify the question.Review of Literature is a search and evaluation of the available literature in your chosen topic area.

I have reviewed 30 research articles which are arranged in chronologically order as follows:

YEAR	NUMBER OF ARTICLES
2018-16	15
2015-13	8
PRIOR TO 2012	7

Geographically Classification on these 30 papers as follows:

STATUS	NUMBER OF ARTICLES
INDIAN	16
INTERNATIONAL	13

CITATION ANALYSIS

S.NO.	NAME OF RESEARCH PAPERS	CITATIONS
1.	**CORPORATE GOVERNANCE AND FIRM PERFORMANCE: AN EMPIRICAL ANALYSIS OF MANUFACTURING LISTED FIRMS IN GHANA**	312
2.	**CORPORATE GOVERNANCE PRINCIPLES AND ITS RELATIONSHIP WITH EXECUTIVE COMPENSATION IN THE SERVICE SECTOR OF INDIA**	240
3.	**IMPACT OF CORPORATE GOVERNANCE ON FIRM PERFORMANCE: EMPIRICAL EVIDENCE FROM INDIA.**	387
4.	**CORPORATE GOVERNANCE AND EARNINGS QUALITY: EVIDENCE FROM CHINA**	28
5.	**CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE FINANCIAL PERFORMANCE: AN EXPLORATORY STUDY OF MEASUREMENT-APPROACH ISSUE**	59
6.	**AN EMPIRICAL STUDY OF VALUE RELEVANCE OF FINANCIAL REPORTING IN INDIAN CORPORATE SECTOR**	321
7.	**RELATED PARTY TRANSACTIONS AND EARNINGS MANAGEMENTS: AN EMPIRICAL EXAMINATION OF SELECTED COMPANIES IN INDIA**	2097
8.	**MERGERS AND ACQUISITION TRENDS – THE INDIAN EXPERIENCE**	126
9.	**THE EFFECTS OF MERGERS & ACQUISITIONS ON FINANCIAL PERFORMANCE: CASE STUDY OF UK COMPANIES**	338
10.	**AN EVALUATION OF FINANCIAL PERFORMANCE OF COMMERCIAL BANKS**	782
11.	**FINANCIAL PERFORMANCE APPRAISAL OF SELECTED COMPANIES ON JORDAN**	58

12.	**CORPORATE GOVERNANCE EFFECTS ON FIRM PERFORMANCE: A LITERATURE REVIEW**	225
13.	**CORPORATE GOVERNANCE AND FIRM PERFORMANCE IN NEW TECHNOLOGY VENTURES**	988
14.	**CORPORATE GOVERNANCE AND FIRM PERFORMANCE IN DEVELOPING COUNTRIES:EVIDENCE FROM INDIA**	384
15.	**MERGERS AND ACQUISITIONS IN INDIA AND ITS IMPACT ON SHAREHOLDERS WEALTH**	78
16.	**RISK MANAGEMENT, CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT**	0
17.	**CORPORATE GOVERNANCE AND FIRM PERFORMANCE: RECENT EVIDENCES FROM BORSA ISTANBUL CORPORATE GOVERNANCE**	5187
18.	**THE CORPORATE GOVERNANCE AND FIRM PERFORMANCE: A REVIEW OF EXISTING EMPIRICAL EVIDENCE.**	155
19.	**A STUDY ON FINANCIAL PERFORMANCE OF ASHOK LEYLAND LIMITED AT CHENNAI**	9765
20.	**MERGERS AND ACQUISITION: A CONCEPTUAL REVIEW**	201
21.	**Effect of Cross Border Mergers and Acquisitions on Company Value Creation**	45
22.	**MERGERS AND ACQUISITION IN THE GREEK BANKING SECTOR: AN EVENT STUDY OF PROPOSAL**	225
23.	**CORPORATE GOVERNANCE AND EARNINGS MANAGEMENT: A STUDY ON THE MALAYSIAN FAMILY AND NON FAMILY OWNED PLCS**	45

24.	**CORPORATE GOVERNANCE AND PERFORMANCE OF TURKISH BANKS IN THE PRE AND POST CRISIS PERIODS**	435
25.	**A STUDY ON MERGERS AND ACQUISITIONS- ITS IMPACT ON MANAGEMENT AND EMPLOYEES**	17858
26.	**MERGERS IN INDIAN BANKS: A STUDY ON MERGERS OF HDFC BANK LTD AND CENTURION BANK OF PUNJAB LTD.**	23
27.	**THE ROLE OF CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCES CHANGES ASSOCIATED WITH MERGERS AND ACQUISITION**	214
28.	**CORPORATE GOVERNANCE AND EARNINGS MANAGEMENT; AN EMPIRICAL EVIDENCE FROM PAKISTANI LISTED COMPANIES**	372
29.	**CORPORATE GOVERNANCE AND FIRM PERFORMANCE**	2
30.	**ANALYTICAL PERSPECTIVES ON MERGERS AND ACQUISITIONS: A SURVEY**	5

Review of Research Papers

STUDY DESCRIPTION	RESEARCH OBJECTIVES	FINDINGS	RESEARCH METHODOLOGY	OBSERVATION
Gyimah,P,(2018). Corporate governance and firm performance: An empirical analysis of manufacturing listed firms in Ghana. *Accounting finance and research,*7(3),pp-111-118 **[1]**	To focus on the board independence and gender diversity on the ROA and ROE of the manufacturing firms.	This paper emphases on the corporate governance in the manufacturing sector of Ghana.This study notes that board independence ensures better management practices through boards. It mainly focused on the board independence where it suggested the firm should appoint female directors as it is giving the positive impact on the ROA of the firms.	Regression model and generalized least square panel	Does not consider unlisted manufacturing firm as the study is limited to ghanaian manufacturing firms listed on GSE
Ghosh,A.,(2018). Corporate governance and its relationship with executive compensation in the service sector. *Journal of accounting and finance*, 32(1), pp-40-47. **[2]**	To understand relationship between the various principles governing the corporate affairs and executive compensation in Indian service sector.	In this study, it has been observed that the maintenance of corporate governance principles does not impact executive compensation in Indian service sector. Executive compensation is a manifestation of corporate governance, still it cannot be stated that the maintenance of good governance will ensure the restrained and logical quantum of executive remuneration in Indian	Secondary Source Quota sampling 3- yearly moving average of 5 yearly data of gross executive and then linear regression	The BSE-IFC recommended corporate governance scorecard has not been conducted.

		service sector.		
Mohan,A.,(2018). Impact of corporate governance on firm performance: Empirical evidence from India. *International journal of research in humanities, arts and literature*,6(2),pp 209-217. **[3]**	To determine the effect of board size, CEO duality and board composition on financial performance like ROE and PB ratio.	This study reveals that there is a need to undertake the monitoring process to lead to superior firm performance. In this study certain variables are considered like ROE and PB ratio. This study investigates the impact of CG structure on the firm performance. The specific variables considered in this study are leverage, asset turnover and growth in sales. The findings concluded with, if the board size increases beyond a certain point, these inefficiencies outweigh the initial advantages from having more directors and has a negative relationship between board size and firm performance.	Census Method Secondary Data Used panel data OLS regression model for a sample of 30 firms quoted on BSE	CG impacts on firm performance may vary from one industry to another which is another area can be examined.
Rezaee ,Z.,(2018). Corporate governance and earnings quality: evidence from China.*The IUP Journal of Corporate governance*,17(2),p	To study whether the CGF index and ICE are associated with earnings quality	This paper has examined the association between corporate governance and earnings quality in China using CGF index. The link between ICE and earnings quality. The	Measures of earnings quality like earnings response coefficients, earning persistence, earnings	This research only investigates the potential association between CGF index and quality of earnings

p 7-35. **[4]**		findings of this study were the firms with higher CGF index have higher ERC which have a positive impact on firms with better corporate governance. This paper concluded with that Chinese firm with more effective internal control system exhibit better earnings quality.	predictability of future cash flows, real earning management and construction of CGF index is done through regression analysis using univariate and multivariate analysis.	and does not establish any causal relationship between the variables of interest.
Nizamuddin ,M.,(2018). Corporate social responsibility and corporate financial performance: An exploratory study of measurement. *The IUP Journal of Corporate governance*,17(2),pp 36-54. **[5]**	To review the various approaches used for measuring CSR and CFP to examine the measurement challenges and suggest an alternative appropriate approach for measurement of CSR notion and CFP.	This study focused on operationalization and measurement aspect of research designs in the existing literature concerned with the relationship between CSR and CFP. This study recognized a number of approaches applied to establish the relationship between CSR and CFP and it was ascertained that there is no perfect measure to estimate CSR and CFP. The measurement issues are more pertinent to CSR because financial reports have a long history and are also standardized.	Survey Method based on Questionnaire Measures used are reputation indices, content analysis, survey method based on questionnaire and one dimensional measure.	The problem of researcher's subjectivity as it is the researcher who selects the variable models and statistical which invalidate the findings and there is biasness in selection of indices.
Shreyas,N ,R.,(2018). An empirical study of value relevance of	To measure the value relevance of earnings, book value and	This study observed the share market behavior on random walk theory by linking	Secondary source of data is used.	The value relevance of accounting information

financial reporting in Indian Corporate sector.*The IUP Journal of Accounting research and audit practices*,17(2),pp 7-21. **[6]**	dividend independently and jointly; to estimate change and trend in value relevance of earnings, book value & dividend; to measure the sensitivity of share price to earnings, book value & dividend.	it with accounting fundamentals which provides different evidence altogether. The study of value relevance of accounting information also discussed which indicates the presence of financial reporting quality which brings more credibility to financial reporting. This research has strong implication on the role of accounting information in developing rational investor behavior in the stock markets.	Methodology used correlation matrix and value relevance models of mono and bi variables.	in Indian corporate sector based on financial information is missing.
Rasheed ,A ,P.,(2018). Related Party transactions and earnings management: an empirical examination of selected companies in India.*The IUP Journal of Accounting research and audit practices,17(2),pp 22-35.* **[7]**	To measure the association between RPTs and earnings management practices of Indian companies; to measure the effect of new RPT regulations on earnings management.	The study focuses on RPTs among the selected listed companies in India and contributes to the accounting literature. The analysis shows that there is a significant relationship between RPTs and earnings management and there is no statistically significant impact on new RPT regulations for reducing earning management practices. The study also shows that corporate managers use RPTs to manipulate firm's earnings.	Sample selection is of BSE-200 index companies and method used is the regression analysis.	The new RPT regulation was introduced in Oct, 2014 and data was analyzed only for 2014-15 in this study which would be too quick to conclude that new RPT regulations have no effect on earnings management practices.

Pandya ,V,U.,(2018). Mergers and acquisitions Trends- the Indian Experience. *International Journal of Business Administration* ,9(1),pp 44-54. **[8]**	The objective of this research paper is to analyze the trend of mergers and acquisitions in India for the recent period.	This paper measures the mergers and acquisitions sector of India from 1991 to 2010 The impact of recent changes in the economic, political and social environment of the world in different sectors and sub-sectors of the economy. This paper also categorizes trends in manufacturing and non-manufacturing sectors to provide definite evidence for motives and reasons behind the particular behavior observed, and the prospective future of mergers and acquisitions activity in India.	Observational Research Time series and trend analysis on metadata of mergers and acquisitions.	Mergers of firms belonging to the same business groups operating in similar product-lines appeared to dominate till 2000 but since then companies have increased the M&A activity for diversificatio n. M&A is used not only as mean for corporate restructuring but for effective means of expansion and entry to new markets.
Jallow,M ,S.,(2017). The effects of Mergers and Acquisitions on Financial Performance: Case Study Of UK Companies. *International Journal of accounting and business management*,5(1),p	To explore and identify the effects of mergers and Acquisitions on the company financial performance and it is a study of the Companies in the UK that has undergone mergers and acquisition in	This paper was carried out to examine and analyze the effects of mergers and acquisitions on the financial performance of UK companies in 2011,in which the variables taken are ROA, ROE,EPS and net profit margin. This research gave the community,	Descriptive and explanatory design Secondary data Convenience sampling technique T-test statistic	The time span given for the research is five months, which is very limited for the study. In auxiliary, the complexity of obtaining the correct information

p 74-92. **[9]**	2011.	shareholders and directors advantage whether to consolidate other firms to gain profits. The outcome of this research showed that the net profit margin not affected by mergers while ROA, ROE & EPS affected by mergers and acquisitions.	Paired Correlation	is there since the writer is having inadequate experience regarding on how to manage tools to run and analyze the data.
Pinto,P.,(2017). An evaluation financial performance of commercial banks. *International Journal of Applied Business and Economic Research,*15(22),pp 605-618. **[10]**	To evaluate financial performances of commercial banks in Bahrain	In this study the test for determining the impact of capital adequacy ratio on profitability ensured relationship between the variables. The financial performance o the banks were measured through ratio which do not show the positive relation between the variables. The results indicate that the profitability has an impact on capital adequacy and financial leverage.	Tools used were regression and correlation coefficients.	The study did not ratify the relationship between profitability and efficiency of the banks.
Dalayeen,B ,A.,(2017). Financial Performance Appraisal of selected companies in Jordan. *Open Journal of Business and Management*,5(2),pp 131-140.	To provide introductory background of the selected companies in Jordan; to study the profitability position of the selected companies in Jordan; to analyze	In this study financial performance is measured through financial ratios which helps in drawing out the complications of what is contained in the financial statements. The analysis of data shows that there is a	Based on secondary source like newspapers, journals and internet. Multiple regression has been used to analyse the	The data is not so accurate as per the study.

[11]	the impact of financial ration on profitability	significant impact of ratios on the performance of the selected companies of Jordan.	impact of financial ratios on the financial performance of the companies	
Michelberger,K.,(2017). Corporate Governance effects on firm performance: A Literature review.*Regional formation and development studies*,3(20),pp 84-95. **[12]**	To analyze the results of recent empirical research concerning the impact of CG on firm performance and reflect potential research design problems which lead to inconsistent results	In this study, two main groups are identified: study on company level to determine the impact of single corporate governance variables such as board size, chairman, CEO duality etc., on a small set of performance measure. The result of this study shows no consistent impact of CG on performance.	Empirical Research Correlation model is being used in this study	The degree of deviations from CG codices and its relation to market and operating performance on company level is not discussed.
Berardino,D ,D.,(2016). Corporate Governance and Firm Performance in New Technology ventures. *Procedia Economics and Finance*, 39,pp 412-421. **[13]**	To study the relationship between the features of managerial board, ownership structure and firm performance of particular type of new technology ventures: the academic spin offs.	This paper proposes to test the resource dependency theory to interpret the relationship between corporate governance and firm performance outside the traditional SMEs,considering the ambiguous nature of ASOs. This paper also influenced the industrial factors and its competititive dynamics and technology. The need to access the strategic resources.	Content Analysis Approach Methodology used is correlation analysis.	Other performance measures are not taken into consideration such as innovation, revenue from patents and organizational efficiency.
Arora,A.,(2016). Corporate Governance and	To examine the impact of corporate	In this study we observed that the relation between CG	Used the baseline model of	Can examine the impact of gender

Firm Performance in Developing Countries: Evidence from India. *International Journal of Business in Society*,16(2),pp 420-436. **[14]**	governance on firm performance for a large representative sample	and performance is not very strong as board sixe is negatively related to ROA and board meetings are positively associated with performance but slightly weak. The conclusion is that firms of the developing countries can enhance their performance by implementing good corporate governance practices by introducing family members in the board.	regression and sys GMM method.	diversity or board diversity on firm performance which is ignored here.
Soni,A ,B.,(2016). Mergers and acquisition in India and its impact on Shareholdes wealth. *Journal of Business and Management*,18(6), pp 79-86. **[15]**	To aware the investors regarding the effect, before and after the mergers & acquisitions for short term investments To make their strategies for investments, for the investors' short term view by keeping in mind mergers & acquisitions	The study Measures Wealth of Share holders for Short Term and also finds the market return and script return to find the shareholder's wealth pre merger and post merger with the help of the regression line for BSE 500.	Causal Research Design Convenience sampling method Regression line ANOVA Paired T-Test	Only Short term data is analysed. To check the financial stability of the companies long term data should be taken into consideration .
Horia,G.,(2015). Risk Management, Corporate Governance and Sustainable Development.	To measure corporate risk management to support company's value which sets forth	From this paper it has been observed that at least 3 success factors are enable to achieve performance in context of sustainable	Descriptive Analysis Survey method is used in this	Quantitative analysis has not been conducted in this paper.

ECOFORUM,4(1), pp 87-90. **[16]**	the scope of the issues. To describe the involvement of BOD in the company strategies directly related to firm performance	development, that a manager leads with innovative vision which ensures the optimal performance. The company is ready to adopt the change for successful implementation of sustainable development programs.	paper	
Aydin,A,D.,(2015). Corporate Governance and Firm Performance: Recent evidence from BorsaIstanabul. *Research Journal of Financing and Accounting*,6(14),pp 198-204. **[17]**	To analyze the impact of several accounting ratios on the corporate governance score of the selected companies from the Borsa Istanbul Corporate Governance index	This paper covers the period of 2008-2014, and selected three types of ratios; liquidity, profitability and operating efficiency ratios. The study gives the positive impact between the liquidity ratios of net cash flow by operating activities and net working capital to total assets on the corporate governance rating scores. No association between profitability ratios operating efficiency ratio was obtained on corporate level governance of the firms.	Empirical analysis Logistic regression analysis and chi square test is used to measure the study	Various analysis can be conducted to examine the relationship with different empirical methods in order to compare different corporate governance practices.
Benedicto, F.,(2015). Corporate Governance and Firm Performance: A Review of Existing Empirical evidence. *European*	To explore the empirical studies which link the corporate governance practices with firm performance and emphasis on	In this article it has been observed that various researchers have measure the firm performance on the individual basis such some have reviewed firm performance on	Used library and E-journals Descriptive Study	Emphasis should be made on multiple components of corporate governance on firm

Journal of Business and Management,7(33), pp 92-98. **[18]**	the maximization of shareholder value.	the composition of board diversity like taking female directors on the board composition, independent directors etc. so the conclusion has not been met. So there are mixed findings on the relationship between board composition and firm performance.		performance on the listed as well as unlisted companies.
Idhyajothi,R.,(2014). A study on Financial Performance of Ashok Leyland Ltd at Chennai. *Journal of Business and Management*,16(6), pp 83-89. **[19]**	To know the financial position of the Ashok leyland; to know the liquidity and profitable position of the company; to know the financial strength and weakness of the company	The study reveals that the financial performance is fair . It has been maintaining good financial performance and further it can improve if the company concentrates on its expenses.	Tools applied are Ratios. Common size statement, comparative statements and trend analysis	No proper comparison of financial statements has been made, it mainly focused on ratios.
Malik,F.,(2014). Mergers and Acquisitions: A Conceptual Review. *International Journal of Accounting and Financial Reporting*,4(2),pp 520-533. **[20]**	To review the literature to study history of M&A, phases, Motives and different methods used for measuring performance; evaluate the benefits and shortcomings; investigate whether there have been new developments in the techniques used over the last	This study examined the motivation to recognize either the assumed benefits of the deal of Mergers and Acquisitions have posted increase or not and also calculated whether the deal is beneficial or harmful for the organizations who want to enter into the deal of M&A. The study also scrutinized the issues by using the perspective of history, waves, motives and	Residual income method and questionnaire method has been used in this study.	The study has used multiple methods of measuring acquisition performance. The selection of the method of measurement is crucial to the results drawn, hence should be selected with great care.

	few years.	methods to determine Merger and acquisition value.		The scope of the study thus was restricted to M&A history, phases, motives, and methods.
Shukla,H.,(2014). Effect of Cross Border Mergers and Acquisition on Company Value Creation. *Peer reviewed International Journal*,2(4),pp 26-43 **[21]**	To examine and evaluate the impact of cross border mergers and acquisitions on the liquidity and leverage position of the selected units by liquidity and leverage ratios and the profitability position by Profitability ratios.	The study analyzed and compared the pre and post-merger and acquisition value creation by the financial Performance of total five firms of Metal and Metal Product Industries. The study is based on the facts and figures available for the selected firms through authentic sources. The study reveals that there is no significant difference between the mean of pre and post merger Return on Assets (ROA) of companies.	Secondary data Ratio analysis technique and T-test is used.	The period of study is up to 2005-07, since some year pre and post merger performance data are required for the study and the sample size consists of only 4 companies, each from the Metal and Metal Product Sectors
Antoniadis,I.,(2014). Mergers and Acquisition in Greek Banking Sector. *Procedia Economics and Finance*,14(0),pp 13-22.	the effect of the announcement of an M&A proposal that took place in the summer of 2010, on the share prices of three major Greek banks listed in the	In this paper the effect of an acquisition proposal on two Greek State banks on July 2010 has been examined. The event study methodology was used for the 3 banks involved in the	In this paper In order to examine the effect of the announcement of the proposed acquisition to the stock	The findings however should be considered under the extremely difficult situation faced by

[22]	Athens Stock Exchange Market, is assessed	proposal, evaluating the effect that it had on their stock returns. Statistical tests were applied on both abnormal returns and cumulative abnormal returns for different day intervals. The results are in line with the efficient market hypothesis. The share prices of Hellenic Postbank, and Piraeus bank has risen for the period of time after the day the proposal took place. ATEbank however displayed negative returns and was not influenced by the proposal. These findings can be explained by the financial and organizational characteristics of each bank that were taken into account by investors	prices and the returns of the stocks of the banks involved the event study methodology is used. The event day is identified on the 15th of July 2010, the day that the Chairman and CEO of Piraeus Bank announced the proposal on the media. The calculation of abnormal returns is central to this methodology. Abnormal returns are calculated, as the difference of the actual minus the expected returns, should the event didn't happen.	banks not only in Greece but in Europe as well. The formation of larger banks through M&As will not be enough by its own without taking under consideration aspects concerning liquidity, and organisational issues
Mansor,N.,(2013). Corporate governance and earnings management: A study on the Malaysian Family	To overcome the earnings management activities specifically from the perspective of family owned	This study provides the evidence to the existing literature pertaining to CG mechanisms that could assist in controlling earnings management	Stratified random sampling technique is used and multiple regression	The result could not be generalized to finance based companies and other

and Non Family owned PLCs. *Procedia Economics and Finance*,7(1),pp 221-229. **[23]**	companies and the non family owned companies.	specifically from the perspective of FOCs and NFOCs.	analysis is used.	non- PLCs.
Taskin,F,D.,(2012). Corporate Governance and Performance of Turkish Banks in Pre-Post crisis period. *Journal of Governance and regulations*,1(4),pp 47-53. **[24]**	To analyze the Relationship between the corporate governance and bank performance through the measures ROA, ROE and net interest margin.	In this study it has been observed that CG is determined through the measures of internal governance mechanism which is measured by CEO duality and external governance mechanism which areproxied by discipline.it has been observed that the size of banks has deteriorating effect on ROE and enlarging effect on NIM and ROA. Thus it has been concluded that CEO duality effect creates more efficient banking system.	Panel data regressions is used. Simple panel regression is also estimated for constants.	Only Turkish banks have been considered. A comparative study can be done on the banks of different countries.
Kumar,A.,(2012).A study on Mergers and Acquisitions: Its impact on Management and Employees. *Research Journal of Economics and Business studies*,1(5),pp 30-34.	To find out the major issues associated with pre and post merging situations where cultural shock arises and employees and management clashes to fulfill	This paper studied the concept of merger/acquisition in detail by taking examples of some companies. This paper found the major issues which are associated with the pre and post merging situations so as to give the special	Qualitative study which is done on 50 companies. But five major companies macro study has been done.	This research has only taken the qualitative data no quantitative study has taken into consideration .

[25]	their desires moving in two different directions.	emphasis on the human aspect. This paper has also analyzed the training methods to cope up with the environment and the up bringing situations. The study said that if the companies will not adopt the appropriate system, then the companies will not grow or will be acquired by any other major firms.		
Devarajappa ,S.,(2012). Mergers in Indian Banks. *International Journal of Marketing, financial services and management research*,1(9),pp 33-41. **[26]**	To analyze trends, policies & their framework, human aspect has been investigated.	In this study the detail investigation of mergers and acquisition has been conducted with the focus on the Indian Banking Sector. This paper also compared pre and post mergers financial performance of the merged banks with the help of financial parameters. The study indicated that the banks have been positively affected by the event of merger.	Independent T-test Ratio analysis has been taken for financial parameters.	Only limited data has been taken in this study that is only two banks have been taken in this study.
Rani ,N.,(2009). Role of Corporate Governance on Financial Performance Changes associated with Mergers and acquisitions. *Global Journal of Business*	To analyze the better financial performance and valuation which shows good governed companies bring positive synergies from their	This paper constructs a corporate governance index for a sample of 93 Indian companies listed on Bombay Stock Exchange and National Stock Exchange. The index is based on a	Secondary data Primary data through Questionnaires Financial performance	The paper relates with manufacturing and sevices companies only. Product line is not considered here.

Excellence,2(1),pp7-13. **[27]**	M&Aactivities.	comprehensive set of 64 governance attributes for these sample companies. The calculation of average of 3 years post - mergers and acquisitions (M&A) financial performance and valuation ratios for each governance portfolio has been conducted. The findings suggest good governance appears to be of Much value as we found significant higher post mergers and acquisitions rate of return ratios for companies in top quartiles. The study concludes that companies with higher rank for corporate governance score are good performers which are revealed from better financial Ratios.	through Profitability ratios T-test statistic is also applied	
Shah,S,Z.,(2009). Corporate Governance and Earnings Management empirical evidence from Pakistani Listed Companies.	To examine the relationship between quality of corporate governance and earnings management.	In this paper a set of listed companies have been investigated to analyze the relationship for the year 2006. Quality has been measured by assigning weights to a	Secondary data Correlation and regression analysis with least square	Aggregate scores are based on extensive literature, and there is a problem of subjectivity

European Journal of Accounting and Scientific Research, 26(4),pp 624-638. **[28]**		set of related variables whereas earnings management has been quantified by discretionary accruals. It has been concluded that quality of corporate governance is positively related with earnings management.	method has been used.	in scoring is likely to minimized but not mitigated.
Wen,M.,(2005). Corporate Governance and Firm Performance. *The China Boom and its Discontent*,4(2),pp 128-138. **[29]**	To compare the change in performance by firms that have undertaken by gaizhi reforms	In this study we observed that the study is limited to the small sample size and the lack of some desirable variables. The industry specific factors examined the effects of different approaches of privatization on internal efficiency and market performance is needed.	Survey Method Construction of pre and post gaizhi variables are followed	Effect of privatization on firm performance is not considered with a tool of performance of stock market listed firms
Meschi,M.,(2000). Analytical perspective on Mergers and Acquisitions. *International Journal of Business Studies*,2(4),pp 1-48. **[30]**	To supply reader with a survey of the most widely debated issues related to mergers and acquisitions.	In this paper it has been surveyed the theoretical literature on the causes and consequences of mergers and takeovers. This research shows that the mergers are not always profitable. This paper says that the evidence is not consistent with the hypothesis that the market for corporate control works efficiently & that	Theoretical and empirical research	In this study only theoretical data has been taken. No profitability analysis has been only considered about the human aspects.

		takeovers occur to discipline bad management. The results of this study says that there is a need for public policy action which aimed at making it easier for shareholders to obtain information about managerial actions, and at making it more difficult for managers to dispose off profits in ways other than distributing them back to shareholders.		

ARTICLES REVIEWED

REVIEWED ARTICLE-1

Gyimah,P,(2018). Corporate governance and firm performance: An empirical analysis of manufacturing listed firms in Ghana. ***Accounting finance and research,*****7(3),pp-111-118**

INTRODUCTION

The paper assesses the effect of corporate governance on the financial performance of manufacturing firms in a developing country. The main objective of this paper is to focus on the board independence and gender diversity on the ROA and ROE of the manufacturing firms. This study provides the first comprehensive explicit exposition of corporate governance performance nexus using data from manufacturing sector in Ghana.

RESEARCH METHODOLOGY

The generalized least squares panel regression model is used to analyse the data set of 11 listed manufacturing firms in Ghana from 2009-2013. The design used is descriptive research design.

CONCLUSION

This paper emphases on the corporate governance in the manufacturing sector of Ghana.This study notes that board independence ensures better management practices through boards. It mainly focused on the board independence where it suggested the firm should appoint female directors as it is giving the positive impact on the ROA of the firms.

OBSERVATIONS

This study does not consider unlisted manufacturing firm as the study is limited to ghanaian manufacturing firms listed on GSE which is the inherent limitation of this study. This study is limited to Ghanaian manufacturing firms listed on the Ghana Stock Exchange (GSE), hence findings of the study cannot be generalized. It is suggested that future studies should consider both listed and non-limited manufacturing firms. Again, future studies should consider other sub-regions in the Africa continent and if possible, a comparative study of emerging economies

REVIEWED ARTICLE-2

Ghosh,A.,(2018). Corporate governance and its relationship with executive compensation in the service sector.*Journal of accounting and finance*,32(1),pp-40-47.

INTRODUCTION

The paper aims to understand relationship between the various principles governing the corporate affairs and executive compensation in Indian service sector. Ten top companies from each of these service sectors have been chosen to construct the sample group of 40 through quota sampling method. The measurement of corporate governance has been performed on the basis of recommended set of corporate governance principles by OECD.

RESEARCH METHODOLOGY

Secondary Source of data and Quota sampling is used in this study with the method of 3-yearly moving average of 5 yearly data of gross executive and then linear regression

CONCLUSION

In this study, it has been observed that the maintenance of corporate governance principles does not impact executive compensation in Indian service sector. Executive compensation is a manifestation of corporate governance, still it cannot be stated that the maintenance of good governance will ensure the restrained and logical quantum of executive remuneration in Indian service sector.

OBSERVATION

The BSE-IFC recommended corporate governance scorecard has not been conducted.

REVIEWED ARTICLE-3

Mohan,A.,(2018). Impact of corporate governance on firm performance: Empirical evidence from India. ***International journal of research in humanities, arts and literature*****,6(2),pp 209-217.**

INTRODUCTION

The study of corporate governance is gaining momentum as corporate governance compliance has been made mandatory. Even though made mandatory, the number of corporate governance issues is on the rise. The high profile scandals in Enron, World Com and also the Satyam scandal, Tata Mistry issues in India have also stimulated policy makers, investors, academicians and other stakeholders. The main objective of this study is to determine the effect of board size, CEO duality and board composition on financial performance like ROE and PB ratio. The variables considered in the model are measures of firm performance like Return On Equity (ROE) and Price to Book ratio (PB ratio) and corporate governance characteristics which include board composition, board size and CEO duality.

RESEARCH METHODOLOGY

Secondary data has been used and is collected from the annual reports of all the firms. The study used a panel data OLS regression model for a sample of 30firms listed in BSE sensex.

CONCLUSION

This study reveals that there is a need to undertake the monitoring process to lead to superior firm performance. In this study certain variables are considered like ROE and PB ratio. This study investigates the impact of CG structure on the firm performance. The specific variables considered in this study are leverage, asset turnover and growth in sales. The findings concluded with, if the board size increases beyond a certain point, these inefficiencies outweigh the initial advantages from having more directors and has a negative relationship between board size and firm performance.

OBSERVATIONS

The corporate governance impacts on firm performance may vary from one industry to another which is another area that can be examined.The results may not be conclusive as the inclusion of the corporate governance and performance would also be considered.

REVIEWED ARTICLE-4

Rezaee ,Z.,(2018). Corporate governance and earnings quality: evidence from China.*The IUP Journal of Corporate governance*,17(2),pp 7-35.

INTRODUCTION

The paper presents the objective to study whether the CGF index and ICE are associated with earnings quality in China. The paper finds that a firm with a higher CGF Index and more effective internal control has higher earnings response coefficients, their earnings are more persistent and more predictable in determining future cash flows.

RESEARCH METHODOLOGY

Measures of earnings quality like earnings response coefficients, earning persistence, earnings predictability of future cash flows, real earning management and construction of CGF index is done through regression analysis using univariate and multivariate analysis.

CONCLUSION

This paper has examined the association between corporate governance and earnings quality in China using CGF index. The link between ICE and earnings quality. The findings of this study were the firms with higher CGF index have higher ERC which have a positive impact on firms with better corporate governance. This paper concluded with that Chinese firm with more effective internal control system exhibit better earnings quality.

OBSERVATION

This research only investigates the potential association between CGF index and quality of earnings and does not establish any causal relationship between the variables of interest.

REVIEWED ARTICLE 5

Nizamuddin ,M.,(2018). Corporate social responsibility and corporate financial performance: An exploratory study of measurement. ***The IUP Journal of Corporate governance*****,17(2),pp 36-54.**

INTRODUCTION

The paper examines the various approaches used in a number of empirical studies so as to review the various approaches used for measuring CSR and CFP to examine the measurement challenges and suggest an alternative appropriate approach for measurement of CSR notion and CFP. In this study various empirical research papers are reviewed to investigate which measurement approach is appropriate to incorporate in future research.

RESEARCH METHODOLOGY

Survey Method based on Questionnaire is used in this study and measures used are reputation indices, content analysis, survey method based on questionnaire and one dimensional measure.

CONCLUSION

This study focused on operationalization and measurement aspect of research designs in the existing literature concerned with the relationship between CSR and CFP. This study recognized a number of approaches applied to establish the relationship between CSR and CFP and it was ascertained that there is no perfect measure to estimate CSR and CFP. The measurement issues are more pertinent to CSR because financial reports have a long history and are also standardized.

OBSERVATION

The problem of researcher's subjectivity as it is the researcher who selects the variable models and statistical which invalidate the findings and there is biasness in selection of indices.

REVIEWED ARTICLE 6

Shreyas,N ,R.,(2018). An empirical study of value relevance of financial reporting in Indian Corporate sector.*The IUP Journal of Accounting research and audit practices*,17(2),pp 7-21.

INTRODUCTION

The aim of this study is to measure the value relevance of earnings, book value and dividend independently and jointly; to estimate change and trend in value relevance of earnings, book value & dividend; to measure the sensitivity of share price to earnings, book value & dividend in 125 companies selected from BSE 500 companies for the period between 2000-2012.

RESEARCH METHODOLOGY

Secondary source of data is used relating to accounting information of Indian corporate sector. Methodology used correlation matrix and value relevance models of mono and bi variables.

CONCLUSION

This study observed the share market behavior on random walk theory by linking it with accounting fundamentals which provides different evidence altogether. The study of value relevance of accounting information also discussed which indicates the presence of financial reporting quality which brings more credibility to financial reporting. This research has strong implication on the role of accounting information in developing rational investor behavior in the stock markets

OBSERVATION

The value relevance of accounting information in Indian corporate sector based on financial information is missing.

REVIEWED ARTICLE 7

Rasheed ,A ,P.,(2018). Related Party transactions and earnings management: an empirical examination of selected companies in India.*The IUP Journal of Accounting research and audit practices,17(2),pp 22-35.*

INTRODUCTION

A number of publicized according frauds around the world, such as Satyam fraud (India), Enron failure (USA), Tyco failure (Ireland), show that firms use related party transactions (RPTs) to manage earnings for financial reporting purpose or to divert firms' resources to their controlling shareholders at the expense of minority shareholders. The aim of this study is to measure the association between RPTs and earnings management practices of Indian companies; to measure the effect of new RPT regulations on earnings management. The findings also reveal that the effect of new RPT regulations in mitigating earnings management is not significant.

RESEARCH METHODOLOGY

Sample selection is of BSE-200 index companies and method used is the regression analysis. The data of this study from the financial year 2014-15 has been collected annual reports of the selected companies from the website of MCA.

CONCLUSION

The study focuses on RPTs among the selected listed companies in India and contributes to the accounting literature. The analysis shows that there is a significant relationship between RPTs and earnings management and there is no statistically significant impact on new RPT regulations for reducing earning management practices. The study also shows that corporate managers use RPTs to manipulate firm's earnings.

OBSERVATION

The new RPT regulation was introduced in Oct, 2014 and data was analyzed only for 2014-15 in this study which would be too quick to conclude that new RPT regulations have no effect on earnings management practices

REVIEWED ARTICLE 8

Pandya ,V ,U.,(2018). Mergers and acquisitions Trends- the Indian Experience.*International Journal of Business Administration* ,9(1),pp 44-54.

INTRODUCTION

The objective of this research paper is to analyze the trend of mergers and acquisitions in India for the recent period. The time series analysis makes clear the trend in mergers and acquisitions activity in India and is categorized broadly three ways, namely, the era of consolidation (1991 –1995), the era of foreign acquisitions (1995 –2002) and the era of venturing abroad (2002 –2012). It is valuable to take

RESEARCH METHODOLOGY

Observational Research is used in this study and Time series and trend analysis on metadata of mergers and acquisitions.

CONCLUSION

This paper measures the mergers and acquisitions sector of India from 1991 to 2010 The impact of recent changes in the economic, political and social environment of the world in different sectors and sub-sectors of the economy. This paper also categorizes trends in manufacturing and non-manufacturing sectors to provide definite evidence for motives and reasons behind the particular behavior observed, and the prospective future of mergers and acquisitions activity in India.

OBSERVATION

Mergers of firms belonging to the same business groups operating in similar product-lines appeared to dominate till 2000 but since then companies have increased the M&A activity for diversification. M&A is used not only as mean for corporate restructuring but for effective means of expansion and entry to new markets.

REVIEWED ARTICLE 9

Jallow,M ,S.,(2017). The effects of Mergers and Acquisitions on Financial Performance: Case Study Of UK Companies. ***International Journal of accounting and business management*****,5(1),pp 74-92.**

INTRODUCTION

To explore and identify the effects of mergers and Acquisitions on the company financial performance and it is a study of the Companies in the UK that has undergone mergers and acquisition in 2011. Comparisons are made between 5-years premerger & acquisition and 5-years post-merger & acquisition financial ratios. The independent variables of the study is Mergers and acquisition and meanwhile the dependent variables are Return on Assets, Return on Equity, Earning per Share, and Net Profit Margin.

RESEARCH METHODOLOGY

Descriptive and explanatory design and Secondary data with Convenience sampling techniqueis used in this study. The study employed Descriptive statistics and Paired sample (T- test) and the result illustrated that the variable a positively correlated to mergers and acquisition.

CONCLUSION

This paper was carried out to examine and analyze the effects of mergers and acquisitions on the financial performance of UK companies in 2011,in which the variables taken are ROA, ROE,EPS and net profit margin. This research gave the community, shareholders and directors advantage whether to consolidate other firms to gain profits. The outcome of this research showed that the net profit margin not affected by mergers while ROA, ROE & EPS affected by mergers and acquisitions

OBSERVATION

The time span given for the research is five months, which is very limited for the study. In auxiliary, the complexity of obtaining the correct information is there since the writer is having inadequate experience regarding on how to manage tools to run and analyze the data.

REVIEWED ARTICLE 10

Pinto,P.,(2017). An evaluation financial performance of commercial banks.*International Journal of Applied Business and Economic Research,*15(22),pp 605-618.

INTRODUCTION

Banks are one of the important players in the financial system in an economy. The study aims to evaluate financial performances of commercial banks in Bahrain. This study is based on eight commercial banks for the period from 2005 to 2015. This study also reveals that enforcement of higher capital adequacy ratio will adversely affects the profitability of the banks. The impacts of financial and oil crisis might have influenced the financial leverage on the banks there by resulted in an adverse effects on the profitability of the banks.

RESEARCH METHODOLOGY

Tools used were regression and correlation coefficients and t- test to determine the relationship between financial parameters. The data collected from the published annual reports and websites.

CONCLUSION

In this study the test for determining the impact of capital adequacy ratio on profitability ensured relationship between the variables. The financial performance of the banks were measured through ratio which do not show the positive relation between the variables. The results indicate that the profitability has an impact on capital adequacy and financial leverage.

OBSERVATION

The study did not ratify the relationship between profitability and efficiency of the banks.

REVIEWED ARTICLE 11

Dalayeen,B ,A.,(2017). Financial Performance Appraisal of selected companies in Jordan. ***Open Journal of Business and Management*****,5(2),pp 131-140.**

INTRODUCTION

The financial performance of an organization is influenced by several factors like capital structure, cost, revenue and the consequential profit margin. The best indicators of the financial performance are return on assets, sales, equity and other financial variables. The study provides introductory background of the selected companies in Jordan; to study the profitability position of the selected companies in Jordan; to analyze the impact of financial ration on profitability.

RESEARCH METHODOLOGY

Based on secondary source like newspapers, journals and internet. Multiple regression has been used to analyse the impact of financial ratios on the financial performance of the companies

CONCLUSION

In this study financial performance is measured through financial ratios which help in drawing out the complications of what is contained in the financial statements. The analysis of data shows that there is a significant impact of ratios on the performance of the selected companies of Jordan.

OBSERVATION

The data is not so accurate as per the study which is the inherent limitation of this study.

REVIEWED ARTICLE 12

Michelberger,K.,(2017). Corporate Governance effects on firm performance: A Literature review.*Regional formation and development studies*,3(20),pp 84-95.

INTRODUCTION

The objective of this paper is to analyze the results of recent empirical research concerning the impact of CG on firm performance and reflect potential research design problems which lead to inconsistent results. Two main groups of studies are identified: study on company level to determine the impact of single corporate governance variable such as board size, chairman-CEO duality, etc. on a small set of performance measures, and studies with a larger sample and a longer time period using multivariate analysis to determine the overall impact of corporate governance on companies measured with an extended set of financial research variables measuring multiple dimensions of impacts.

RESEARCH METHODOLOGY

Empirical Research is done. Correlation model is being used in this study between corporate governance and firm performance.

CONCLUSION

In this study, two main groups are identified: study on company level to determine the impact of single corporate governance variables such as board size, chairman, CEO duality etc., on a small set of performance measure. The result of this study shows no consistent impact of CG on performance.

OBSERVATION

The degree of deviations from CG codices and its relation to market and operating performance on company level is not discussed.

REVIEWED ARTICLE 13

Berardino,D ,D.,(2016). Corporate Governance and Firm Performance in New Technology ventures.*Procedia Economics and Finance*,39,pp 412-421.

INTRODUCTION

The paper studies the relationship between the features of managerial board, ownership structure and firm performance of particular type of new technology ventures: the academic spin offs. This study observes a sample of Italian academic spin offs established in the last five years : primary data on corporate governance, industry, ownership structure, financial aspects are taken from the national register of firms, university (parent organization) and company website.

RESEARCH METHODOLOGY

Content Analysis Approach. Methodology used is correlation analysis.

CONCLUSION

This paper proposes to test the resource dependency theory to interpret the relationship between corporate governance and firm performance outside the traditional SMEs,considering the ambiguous nature of ASOs. This paper also influenced the industrial factors and its competititive dynamics and technology. The need to access the strategic resources.

OBSERVATION

Other performance measures are not taken into consideration such as innovation, revenue from patents and organizational efficiency.

REVIEWED ARTICLE 14

Arora,A.,(2016). Corporate Governance and Firm Performance in Developing Countries: Evidence from India. ***International Journal of Business in Society*****,16(2),pp 420-436.**

INTRODUCTION

The study aims to examine the impact of corporate governance on firm performance for a large representative sample. This study indicates that larger boards are associated with a greater depth of intellectual knowledge which in turn helps in improving decision making and enhancing the performance.

RESEARCH METHODOLOGY

Used the baseline model of regression and sys GMM method. It is a empirical research.

CONCLUSION

In this study we observed that the relation between CG and performance is not very strong as board sixe is negatively related to ROA and board meetings are positively associated with performance but slightly weak. The conclusion is that firms of the developing countries can enhance their performance by implementing good corporate governance practices by introducing family members in the board.

OBSERVATION

Can examine the impact of gender diversity or board diversity on firm performance which is ignored here.

REVIEWED ARTICLE 15

Soni,A ,B.,(2016). Mergers and acquisition in India and its impact on Shareholdeswealth.*Journal of Business and Management*,18(6),pp 79-86.

INTRODUCTION

The aim of this study is to aware the investors regarding the effect, before and after the mergers & acquisitions for short term investments and to make their strategies for investments, for the investors' short term view by keeping in mind mergers & acquisitions

RESEARCH METHODOLOGY

Causal Research Design is used and Convenience sampling method is used for analysis of data

Regression line, ANOVA and Paired T-Test is used for testing.

CONCLUSION

Top 10 deals as per value vise: Measuring Wealth of Shareholders for Short Term. Also find the market return and script return to find the shareholder's wealth pre-merger and post-merger with the help of the regression line. For the same, the changes in the closing prices of the script and compare it with Indices value, here we take BSE 500. We had taken X as an independent variable i.e. BSE 500 and Y as a dependent variable i.e. script prices of the particular company and try to fit regression line Y on X to see that after merger and before merger how this mergers affected shareholders wealth.

OBSERVATION

Only Short term data is analyzed. To check the financial stability of the companies long term data should be taken into consideration.

REVIEWED ARTICLE 16

Horia,G.,(2015). Risk Management, Corporate Governance and Sustainable Development. *ECOFORUM*,4(1),pp 87-90.

INTRODUCTION

This study measures corporate risk management to Support Company's value which sets forth the scope of the issues and describes the involvement of BOD in the company strategies directly related to firm performance. It briefly describes why BOD involvement in the company strategies is directly related with firm performance.

RESEARCH METHODOLGY

Descriptive Analysis is done in this research and Survey method is used in this paper.

CONCLUSION

From this paper it has been observed that at least 3 success factors are enabling to achieve performance in context of sustainable development that a manager leads with innovative vision which ensures the optimal performance. The company is ready to adopt the change for successful implementation of sustainable development programs.

OBSERVATION

Quantitative analysis has not been conducted in this paper.

REVIEWED ARTICLE 17

Aydin,A,D.,(2015). Corporate Governance and Firm Performance: Recent evidence from BorsaIstanabul. ***Research Journal of Financing and Accounting*****,6(14),pp 198-204.**

INTRODUCTION

As competition for foreign and domestic investment increases, firms look for new ways to remain competitive in complex business environment. The study aims to analyze the impact of several accounting ratios on the corporate governance score of the selected companies from the Borsa Istanbul Corporate Governance index

RESEARCH METHODOLOGY

Empirical analysis has been conducted in this paper.Logistic regression analysis and chi square test is used to measure the study. Various ratios has been tested in this study.

CONCLUSION

This paper covers the period of 2008-2014, and selected three types of ratios; liquidity, profitability and operating efficiency ratios. The study gives the positive impact between the liquidity ratios of net cash flow by operating activities and net working capital to total assets on the corporate governance rating scores. No association between profitability ratios operating efficiency ratio was obtained on corporate level governance of the firms.

OBSERVATION

Various analysis can be conducted to examine the relationship with different empirical methods in order to compare different corporate governance practices.

REVIEWED ARTICLE 18

Benedicto, F.,(2015). Corporate Governance and Firm Performance: A Review of Existing Empirical evidence. ***European Journal of Business and Management*****,7(33),pp 92-98.**

INTRODUCTION

The study aims to explore the empirical studies which link the corporate governance practices with firm performance and emphasis on the maximization of shareholder value. The study is motivated by the current debate on the role of corporate governance on firm performance and sustainability and an assertion that corporate failure is a result of failures in CG mechanisms.

RESEARCH METHODOLOGY

The secondary data is used from library and E-journals. It is a Descriptive Study.

CONCLUSION

In this article it has been observed that various researchers have measure the firm performance on the individual basis such some have reviewed firm performance on the composition of board diversity like taking female directors on the board composition, independent directors etc. so the conclusion has not been met. So there are mixed findings on the relationship between board composition and firm performance.

OBSERVATION

Emphasis should be made on multiple components of corporate governance on firm performance on the listed as well as unlisted companies.

REVIEWED ARTICLE 19

Idhyajothi,R.,(2014). A study on Financial Performance of Ashok Leyland Ltd at Chennai.*Journal of Business and Management*,16(6),pp 83-89.

INTRODUCTION

The study aims to know the financial position of the Ashok leyland; to know the liquidity and profitable position of the company; to know the financial strength and weakness of the company. Financial statements are prepared for decision making. They play a dominant role in setting the framework and managerial conclusion.

RESEARCH METHODOLOGY

Tools applied are Ratios. Common size statement, comparative statements and trend analysis

CONCLUSION

The study reveals that the financial performance is fair. It has been maintaining good financial performance and further it can improve if the company concentrates on its expenses.

OBSERVATION

No proper comparison of financial statements has been made, it mainly focused on ratios.

REVIEWED ARTICLE 20

Malik,F.,(2014). Mergers and Acquisitions: A Conceptual Review. ***International Journal of Accounting and Financial Reporting*****,4(2),pp 520-533.**

INTRODUCTION

The aim of this study is to review the literature to study history of M&A, phases, Motives and different methods used for measuring performance; evaluate the benefits and shortcomings; investigate whether there have been new developments in the techniques used over the last few years.

RESEARCH METHODOLOGY

Residual income method and questionnaire method has been used in this study.

CONCLUSION

This study examined the motivation to recognize either the assumed benefits of the deal of Mergers and Acquisitions have posted increase or not and also calculated whether the deal is beneficial or harmful for the organizations who want to enter into the deal of M&A. The study also scrutinized the issues by using the perspective of history, waves, motives and methods to determine Merger and acquisition value.

OBSERVATION

The study has used multiple methods of measuring acquisition performance. The selection of the method of measurement is crucial to the results drawn, hence should be selected with great care. The scope of the study thus was restricted to M&A history, phases, motives, and methods.

REVIEWED ARTICLE 21

Shukla,H.,(2014). Effect of Cross Border Mergers and Acquisition on Company Value Creation.*Peer reviewed International Journal*,2(4),pp 26-43

INTRODUCTION

The aim is to examine and evaluate the impact of cross border mergers and acquisitions on the liquidity and leverage position of the selected units by liquidity and leverage ratios and the profitability position by Profitability ratios.

RESEARCH METHODODLOGY

Secondary data and Ratio analysis technique and T-test is used in this study.

CONCLUSION

The study analyzed and compared the pre and post-merger and acquisition value creation by the financial Performance of total five firms of Metal and Metal Product Industries. The study is based on the facts and figures available for the selected firms through authentic sources. The study reveals that there is no significant difference between the mean of pre and post merger Return on Assets (ROA) of companies.

OBSERVATION

The period of study is up to 2005-07, since some year pre and post merger performance data are required for the study and the sample size consists of only 4 companies, each from the Metal and Metal Product Sectors

REVIEWED ARTICLE 22

Antoniadis,I.,(2014). Mergers and Acquisition in Greek Banking Sector.*Procedia Economics and Finance*,14(0),pp 13-22.

INTRODUCTION

Mergers and Acquisitions have been an important strategy for the Greek banking sector. During the last period of time the importance of M&A in the Greek banking sector have been reinvigorated as a result of a without precedent financial and economic crisis the Greek economy and banking sector faces, and the ongoing pressure both by Greek authorities and
foreign institutions (IMF), for bigger and more efficient banks. In this paper the effect of the announcement of an M&A proposal that took place in the summer of 2010, on the share prices of three major Greek banks listed in the Athens Stock Exchange Market, is assessed

RESEARCH METHODOLOGY

In this paper In order to examine the effect of the announcement of the proposed acquisition to the stock prices and the returns of the stocks of the banks involved the event study methodology is used. The event day is identified on the 15th of July 2010, the day that the Chairman and CEO of Piraeus Bank announced the proposal on the media. The calculation of abnormal returns is central to this methodology. Abnormal returns are calculated, as the difference of the actual minus the expected returns, should the event didn't happen.

CONCLUSION

In this paper the effect of an acquisition proposal on two Greek State banks on July 2010 has been examined. The event study methodology was used for the 3 banks involved in the proposal, evaluating the effect that it had on their stock returns. Statistical tests were applied on both abnormal returns and cumulative abnormal returns for different day intervals. The results are in line with the efficient market hypothesis. The share prices of Hellenic Postbank, and Piraeus bank has risen for the period of time after the day the proposal took place. ATEbank however displayed negative returns and was not influenced by the proposal. These findings can be explained by the financial and organizational characteristics of each bank that were taken into account by investors

OBSERVATION

The findings however should be considered under the extremely difficult situation faced by banks not only in Greece but in Europe as well. The formation of larger banks through M&As will not be enough by its own without taking under consideration aspects concerning liquidity, and organizational issues.

REVIEWED ARTICLE 23

Mansor,N.,(2013). Corporate governance and earnings management: A study on the Malaysian Family and Non Family owned PLCs. ***Procedia Economics and Finance*****,7(1),pp 221-229.**

INTRODUCTION

The study aims to overcome the earnings management activities specifically from the perspective of family owned companies and the non-family owned companies. A total sample of 264 public listed companies selected based on stratified samplings were tested.

RESEARCH METHODODLOGY

Stratified random sampling technique is used and multiple regression analysis is used.

CONCLUSION

This study provides the evidence to the existing literature pertaining to CG mechanisms that could assist in controlling earnings management specifically from the perspective of FOCs and NFOCs.

OBSERVATION

The result could not be generalized to finance based companies and other non- PLCs.

REVIEWED ARTICLE 24

Taskin,F,D.,(2012). Corporate Governance and Performance of Turkish Banks in Pre-Post crisis period.*Journal of Governance and regulations*,1(4),pp 47-53.

INTRODUCTION

This paper aims to analyze the Relationship between the corporate governance and bank performance through the measures ROA, ROE and net interest margin. Corporate governance is determined through measures of internal governance mechanisms which is measured by CEO duality.

RESEARCH METHODODLOGY

Panel data regressions are used. Simple panel regression is also estimated for constants.

CONCLUSION

In this study it has been observed that CG is determined through the measures of internal governance mechanism which is measured by CEO duality and external governance mechanism which areproxied by discipline.it has been observed that the size of banks has deteriorating effect on ROE and enlarging effect on NIM and ROA. Thus it has been concluded that CEO duality effect creates more efficient banking system.

OBSERVATION

Only Turkish banks have been considered. A comparative study can be done on the banks of different countries.

REVIEWED ARTICLE 25

Kumar,A.,(2012).A study on Mergers and Acquisitions: Its impact on Management and Employees. ***Research Journal of Economics and Business studies*****,1(5),pp 30-34.**

INTRODUCTION

The study aims to find out the major issues associated with pre and post merging situations where cultural shock arises and employees and management clashes to fulfill their desires moving in two different directions.

RESEARCH METHODODLOGY

Qualitative study which is done on 50 companies. But five major companies macro study has been done.

CONCLUSION

This paper studied the concept of merger/acquisition in detail by taking examples of some companies. This paper found the major issues which are associated with the pre and post merging situations so as to give the special emphasis on the human aspect. This paper has also analyzed the training methods to cope up with the environment and the upbringing situations. The study said that if the companies will not adopt the appropriate system, then the companies will not grow or will be acquired by any other major firms.

OBSERVATION

This research has only taken the qualitative data no quantitative study has taken into consideration.

REVEIWED ARTICLE 26

Devarajappa ,S.,(2012). Mergers in Indian Banks.*International Journal of Marketing, financial services and management research*,1(9),pp 33-41.

INTRODUCTION

The study aims to analyze trends, policies & their framework, human aspect has been investigated.

RESEARCH METHODOLGY

Independent T-test and Ratio analysis has been taken for financial parameters.

CONCLUSION

In this study the detail investigation of mergers and acquisition has been conducted with the focus on the Indian Banking Sector. This paper also compared pre and post mergers financial performance of the merged banks with the help of financial parameters. The study indicated that the banks have been positively affected by the event of merger.

OBSERVATION

Only limited data has been taken in this study that is only two banks have been taken in this study.

REVIEWED ARTICLE 27

Rani ,N.,(2009). Role of Corporate Governance on Financial Performance Changes associated with Mergers and acquisitions. ***Global Journal of Business Excellence*****,2(1),pp 7-13.**

INTRODUCTION

The paper aims to analyze the better financial performance and valuation which shows good governed companies bring positive synergies from their M&A activities.

RESEARCH METHODOLOGY

Secondary data and Primary data through Questionnaires with the Financial performance through Profitability ratios is measured, T-test statistic is also applied.

CONCLUSION

This paper constructs a corporate governance index for a sample of 93 Indian companies listed on Bombay Stock Exchange and National Stock Exchange. The index is based on a comprehensive set of 64 governance attributes for these sample companies. The calculation of average of 3 years post - mergers and acquisitions (M&A) financial performance and valuation ratios for each governance portfolio has been conducted. The findings suggest good governance appears to be of much value as we found significant higher post mergers and acquisitions rate of return ratios for companies in top quartiles. The study concludes that companies with higher rank for corporate governance score are good performers which are revealed from better financial ratios.

OBSERVATION

The paper relates with manufacturing and services companies only. Product line is not considered here.

REVIEWED ARTICLE 28

Shah,S,Z.,(2009). Corporate Governance and Earnings Management an empirical evidence from Pakistani Listed Companies. ***European Journal of Accounting and Scientific Research*****,26(4),pp 624-638.**

INTRODUCTION

The study examines the relationship between quality of corporate governance and earnings management. A set of listed companies have been investigated to analyze the relationship for the year 2006. Quality has been measured by assigning weights to a set of related variables whereas earnings management has been quantified by discretionary accruals.

RESEARCH METHODOLOGY

Secondary data is used for this study. Correlation and regression analysis with least square method has been used.

CONCLUSION

In this paper a set of listed companies have been investigated to analyze the relationship for the year 2006. Quality has been measured by assigning weights to a set of related variables whereas earnings management has been quantified by discretionary accruals. It has been concluded that quality of corporate governance is positively related with earnings management.

OBSERVATION

Aggregate scores are based on extensive literature, and there is a problem of subjectivity in scoring is likely to minimized but not mitigated.

REVIEWED ARTICLE 29

Wen,M.,(2005). Corporate Governance and Firm Performance.*The China Boom and its Discontent*,4(2),pp 128-138.

INTRODUCTION

The study aims to compare the change in performance by firms that have undertaken by gaizhi reforms.

RESEARCH METHODOLOGY

Survey Method is used in this study. The construction of pre and post gaizhi variables is followed.

CONCLUSION

In this study we observed that the study is limited to the small sample size and the lack of some desirable variables. The industry specific factors examined the effects of different approaches of privatization on internal efficiency and market performance is needed.

OBSERVATION

Effect of privatization on firm performance is not considered with a tool of performance of stock market listed firms.

REVIEWED ARTICLE 30

Meschi,M.,(2000). Analytical perspective on Mergers and Acquisitions.*International Journal of Business Studies*,2(4),pp 1-48.

INTRODUCTION

The study aims to supply reader with a survey of the most widely debated issues related to mergers and acquisitions.

RESEARCH METHODODLOGY

Theoretical and empirical research

CONCLUSION

In this paper it has been surveyed the theoretical literature on the causes and consequences of mergers and takeovers. This research shows that the mergers are not always profitable. This paper says that the evidence is not consistent with the hypothesis that the market for corporate control works efficiently & that takeovers occur to discipline bad management. The results of this study says that there is a need for public policy action which aimed at making it easier for shareholders to obtain information about managerial actions, and at making it more difficult for managers to dispose off profits in ways other than distributing them back to shareholders.

OBSERVATION

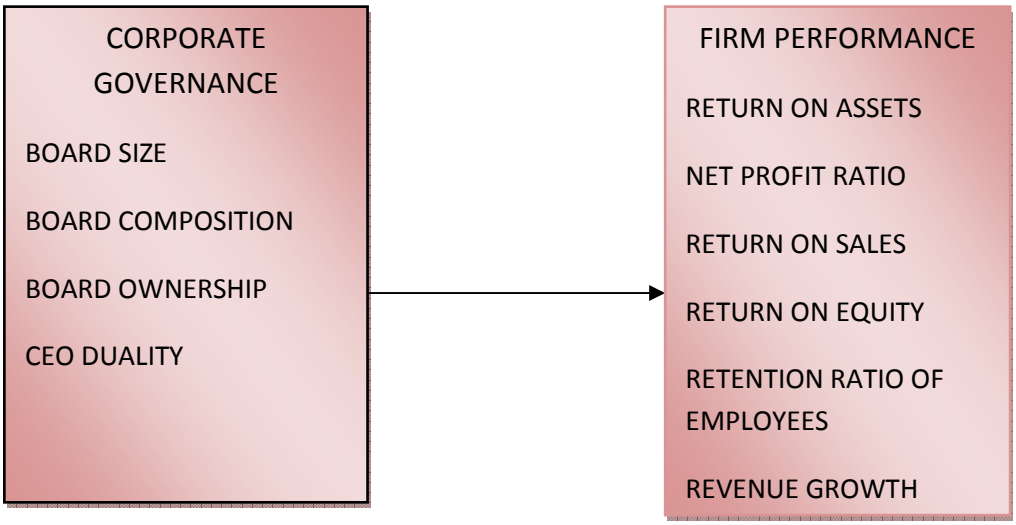
In this study only theoretical data has been taken. No profitability analysis has been only considered about the human aspects.

RESEARCH GAP

Financial performance is the broad area of research as it is the center point of financial evaluation for any concern. The research articles reviewed had some minor research gaps in terms of period of study, statistical tools applied, inter firm comparisons. Moreover the papers reviewed on corporate governance majorly focused on a single element that is Constitution of Board of Directors. The impact of corporate governance on Firm's performance was not studied in majority of the papers. Also some papers reviewed give us an insight of the impact of mergers and acquisitions on corporate governance considering limited companies. I would like to proceed with my research work considering these gaps.

PROPOSED MODEL

The proposed research work shall focus on the impact of corporate governance on firm performance. On thorough review research papers and articles following parameters have been identified for Corporate governance and firm performance.



RESEARCH METHODOLOGY

OBJECTIVE OF THE STUDY

To study the impact of corporate governance on Firm Performance.

HYPOTHESIS

H_0 : There is no significant impact of corporate governance on firm performance

H_A : There is a significant impact of corporate governance on firm performance.

SCOPE OF THE STUDY

This study specifically focuses on the performance of Petroleum and IT sector for 2013-19 that is after applicability of corporate governances practices.

RESEARCH DESIGN:

Research refers to the systematic method consisting of identification of the problem, formulating a hypothesis, collecting the facts or data, analyzing the facts and reaching certain conclusions either in the form of solutions towards the concerned problem or in certain generalizations for some theoretical formulation. This study is descriptive in nature and is conducted to test the impact of Corporate governance on firm performance.

Descriptive Research

This kind of research is usually undertaken with a particular motive or set objective, hence the results always comes in a very twisting form. These kinds of research specify the important characters of the study in detail along with its core importance. To

represent correctly the characteristics of a particular individual, situation or a group, studies with this object in view are known as descriptive research studies.

SAMPLING DESIGN

Population of the Study

In order to fulfill the aim of the research the data would be collected from the following industry:

Petroleum industry: Two companies would be taken into consideration that is **BPCL** and **IOC Ltd.**

IT industry: Two companies will be taken into consideration that is **Infosys Ltd.** and **Wipro Ltd.**

Collection of Data

Data collection is the method of assembling and evaluating the facts or information or variables of interest, in a recognized or systematic manner that facilitate one to answer the stated research questions, test the stated hypotheses and evaluate outcomes and give suggestions. In the study secondary data will be collected.

Secondary Data

Secondary data is the process of reprocessing and reusing collected information. In the study secondary data will be collected from various articles, journals, and various websites. Internet plays a crucial role to collect the relevant information for the study.

Variables of the Study

Independent Variables: Thevariables which are manipulated or controlled or changed. It is what the researcher studies to see its relationship or effects. In this study the independent variables which will be taken into consideration are:

1. **Board size**: Total number of directors at the end of the year.
2. **Board Composition**: This is the mix of inside to outside director in the Board Room.

   Formula= Non-Executive directors / Total Number of Directors

The board composition will be further classified into the following categories:

i) **Gender Diversity**: This is the ratio of male to female in the board.

ii) **Category of Directors**: It is the ratio of executive to non-executive directors in the board.

3. **Board Ownership**: This variable will be taken into consideration by the shareholding of the directors in the board.
4. **CEO Duality**: It refers to the situation where CEO holds the position of the Chairman of the Board. This variable will be quantified that how many times CEO holds this position in the company.

Dependent Variables: These are the outcome variables and are the variables for which we calculate statistics. The variable which changes on account of independent variable is known asdependent variable. i.e. It is influenced or affected by the independent variable. In this the dependent variables which will be taken into consideration are:

1. **Return On Assets: Profit after Tax / Average total assets**

2. **Net Profit Ratio: Profit after tax / Total Revenues**

3. **Return on Equity: Profit after Tax / Shareholders Fund**

4. **Return on Sales: $\frac{\text{Gross Profit}}{\text{Revenue from Operations}}$**

5. **Revenue Growth: The growth of revenue is increased will be seen in this variable as per the independent variables.**

6. **Employee Retention: What is the turnover of the employees during the year will be taken into consideration**

TOOLS FOR DATA ANALYSIS:

Statistical tools will be applied in order to support the hypothesis and derive suitable conclusions. The analysis will be supported by various tables and charts. The following tools will be used:

Independent sample T-Test

The independent t-test is also called two sample t- test, independent t-test or student t-test, is an inferential statistical test that determines whether there is a statistically significant difference between the means of two unrelated group.

Correlation Analysis

Correlation Analysis is used to study the strength of a relationship between two, numerically measured continuous variables. This particular type of analysis is useful when a researcher wants to establish if there are possible connections between variables.

Descriptive Statistic

A descriptive statistic is a summary statistic that quantitatively describes or summarizes features of a collection of information, while descriptive statistics is a mass noun sense is the process of using and analyzing those statistics.

Justification of the study

Only theoretical aspects have been studied on this research. No study has been taken into consideration after the compulsion of corporate governance in new Companies act. That's the reason to study the impact of corporate governance on firm performance.

Limitation of the Study

The study is confined to only two sectors i.e. petroleum and IT sector considering two companies in each sector.

CHAPTERISATION

The study is divided into following chapters:-

CHAPTER 1: INTRODUCTION: - This chapter will detail analysis about Corporate Governance and firm performance

CHAPTER 2: REVIEW OF LITERATURE: -This chapter will deal with the review of literature related to impact of Corporate Governance on Firm Performance.

CHAPTER 3: RESEARCH METHODOLOGY:- This chapter will explain research methodology for the present study in detail. It includes research problems, objectives, scope of the study, research design, sampling design and limitation of the study.

CHAPTER 4: ANALYSIS AND INTERPRETATION OF DATA: - This chapter will address the analysis of the data collected and presents its results related to the impact of Corporate Governance on Firm Performance

CHAPTER 5: CONCLUSION: - This chapter will discuss the finding of the study. The findings are then followed by the implications of the research along with future research directions.

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Appendices

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